MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2022/2023 (2230)

PAT0084 – INTRODUCTION TO COST AND MANAGEMENT ACCOUNTING

(Foundation in Business)

05 OCTOBER 2023
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FIVE** pages with **FOUR** questions.
2. Answer **ALL** questions. The distribution of the marks for each question is given.
3. Write all your answers in the Answer Booklet provided.

STRUCTURED QUESTIONS (100 MARKS)

QUESTION 1

BHQ Company produces two types of boots: Vyno and Tyno. There are four activities associated with the two products. The activity cost drivers and their costs are as follows:

	Vyno	Tyno
Cutting hours	2,400	3,600
Assembly hours	1,425	2,325
Inspection hours	630	1,620
Rework hours	75	225

	Total Costs (RM)
Cutting	150,000
Assembly	187,500
Inspection	45,000
Rework	22,500

REQUIRED

a) Calculate the activity cost driver rates for :

i) Cutting
ii) Assembly
iii) Inspection
iv) Rework

(8 marks)

b) Using the activity cost driver rates determined in (a), calculate the total manufacturing overhead cost assigned to:
i) Vyno
ii) Tyno
(10 marks)

c) If the number of Vyno boots is 1,500 units and Tyno boots 1,800 units, calculate the manufacturing overhead cost per unit for :
i) Vyno
ii) Tyno
(6 marks)

d) Give **ONE** benefit of using activity-based costing. (1 mark)

(Total 25 marks)

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QUESTION 2

Part A

Rubbertex Company had the following equivalent units schedule and cost for its fabrication department during the month of September 2023.

Equivalent units:

	Materials	Conversion
Units completed	180,000	180,000
Add: Units in ending WIP x degree of completion		
60,000 x 100%	60,000	
60,000 x 60%		36,000
Total equivalent units of output	240,000	216,000

Costs:

	Materials	Conversion
	RM	RM
Total cost	1,020,000	242,000

REQUIRED

a) Calculate the costs per equivalent unit for materials and conversion costs for the fabrication department. (4 marks)
b) Calculate the total costs of completed units. (3 marks)
c) Calculate the costs of ending work in process. (3 marks)

Part B

Rubina Company's projected profit for the coming year is as follows:

	Total (RM)	Per Unit (RM)
Sales (for 12,000 units)	240,000	20
Total variable cost	144,000	12
Contribution margin	96,000	8
Total fixed cost	64,000	
Operating profit	32,000	

REQUIRED

a) Calculate contribution margin ratio. (2 marks)

b) Compute the breakeven points in units. (3 marks)

c) How many units must be sold to earn a profit of RM26,000? (3 marks)

Continued...

d) Using the contribution margin ratio computed in (a), compute the additional profit that Rubina Company would earn if sales were RM20,000 more than expected.
(3 marks)

e) For the projected level of sales of 12,000 units, compute the margin of safety in units and in RM value.
(4 marks)

(Total 25 marks)

QUESTION 3

YSL Berhad is a company that manufactures smart watch components. In September 2023, the company produced 20,000 units of devices and 18,000 units was anticipated to be sold. The price of the devices is RM90 per unit. The following cost information pertain to YSL Berhad for September 2023:

Manufacturing costs:	
Direct materials cost (per unit)	RM 12
Direct labour cost (per unit)	RM 18
Variable manufacturing overhead cost (per unit)	RM 10
Fixed manufacturing overhead cost	RM100,000
Marketing expenses:	
Variable per unit	RM 5
Fixed	RM 80,000

REQUIRED

a) Calculate unit product cost using absorption costing and variable costing.

Please copy this table to your answer booklet

	Variable costing (RM)	Absorption costing (RM)
Unit product cost		

(10 marks)

b) Prepare the income statement using variable costing system. (15 marks)

(Total 25 marks)

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QUESTION 4

Part A

Imani Berhad makes wooden cabinet. The costs per unit are as follows:

Wood-white oak	RM 200
Wood-maple	RM 150
Drawer handles	RM 70
Direct manufacturing labour	RM 750
Variable manufacturing overhead	RM 60
Fixed manufacturing overhead	RM 50
Variable selling expenses	RM 40
Fixed selling expenses	RM 30
Variable administrative expenses	RM 20
Fixed administrative expenses	RM 10

The wooden cabinet normally sells for RM3,000 each. The company has received a special order for 5,000 units of wooden cabinet at RM2,000 per unit. The company has excess capacity to accept the special order.

REQUIRED

a) Calculate the total relevant costs for the special order.
(8 marks)

b) Compute the change in operating income if the special order is accepted.
(4 marks)

c) Should Imani Berhad accept the special order? Explain.
(3 marks)

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Part B

Big Berhad manufactures computer mouse. The following information relates to Big Berhad for the first quarter of 2024.

	January	February	March
Budgeted sales (units)	150,000	200,000	210,000

Desired inventories (units):	Materials	Finished goods
January, 1	100,000	120,000
January, 30	105,000	200,000
February, 29	110,000	180,000
March, 31	117,000	205,000

Notes:

1. Selling price of the finished product is:
   - January RM85 per unit
   - February RM90 per unit
   - March RM100 per unit

REQUIRED

Prepare the following budgets for Big Berhad for the months of January, February and March.

a) Sales budget (3 marks)

b) Production budget (7 marks)

(Total 25 marks)

End of paper.